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EDITOR'S PICK

CITY BUDGET | proposal includes funds to address racial disparities, homelessness

## Mayor Paul Soglin proposes \$299.5 million operating budget for 2017

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DEAN MOSIMAN, STATE JOURNAL

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Mayor Paul Soglin on Tuesday unveiled a \$299.5 million operating budget for 2017, which includes \$400,000 for the first year of a 15-point plan by the newly formed Focused Interruption Coalition to address racial disparities, violence prevention and recidivism. Coalition members -- from left, Aaron Hicks, Caliph Maub'El, Michael Johnson and Anthony Cooper Sr. -- attended the mayor's press conference and applauded the proposed investment.

With a focus on upward economic mobility, Mayor Paul Soglin on Tuesday proposed a \$299.5 million operating budget for 2017 that starts toward a \$15 minimum wage for city employees, delivers a pay hike for almost all employees, and provides money to address racial disparities and homelessness.

The proposal delivers \$400,000 to help the newly formed Focused Interruption Coalition address racial inequality, violence and recidivism, and provides \$170,000 for outreach to the homeless.

To limit the increase in city spending, Soglin's budget delivers no operating funds for a new Midtown Police District station or a fire station for the Southeast Side that the city's finance committee recently moved up in the separate capital budget, with construction in the next two years.

Under the committee's timetable, the two agencies need a combined \$500,000 in the 2017 operating budget for recruit classes and training to staff the facilities and \$2 million more in 2018.

Soglin and the City Council have battled for years over the timing of the police and fire stations and a \$13 million Public Market on the East Side. The mayor wants to delay the public safety facilities a bit and move forward on design of the market in 2017 and construction in 2018. The market, seen by Soglin as a way to create jobs and boost economic development, doesn't need any operating funds next year.

"We can do all three," he said. "It's simply a matter of timing."

The proposed budget would raise spending 3.5 percent, increase city tax collections 4.35 percent to \$219 million, and raise the city portion of the average tax bill by 3.08 percent — or \$71.94 — to \$2,407 on the average home, now valued at \$254,693.

“This is a well thought out, balanced budget,” Soglin said. “I’m calling on the City Council to work with me in holding the line on taxes on businesses, families and seniors.”

Overall, the mayor’s budget offers no big surprises and sets up another clash over the police and fire stations, council President Mike Verveer said.

“All of us expect there will be budget amendments,” he said. “The big question is whether the mayor would veto the budget over the timing of these two stations and whether there are enough votes to override the veto.”

The city’s finance committee will consider amendments to the operating budget on Oct. 24, and the full council will make final decisions on the capital and operating budgets starting Nov. 14.

The proposed budget, Soglin said, doesn’t impose the maximum tax increase allowed under state law, leaving about \$1 million in unused spending authority.

The approach, he said, means a modest tax increase in 2017 while leaving capacity to address ongoing priorities in 2018, especially if the council succeeds in its push to start construction on the police station in 2017 and to design and build the fire station in 2017 and 2018.

The budget offers \$69.9 million for the Police Department and \$50 million for the Fire Department next year, highest among city agencies. It would have added four police officers by providing \$360,000 of city tax support if the Madison School District had decided to stop funding Education Resource Officers in the schools.

But the council and School Board both voted Tuesday night to keep the resource officers in the schools, and Verveer said council members are likely to see the \$360,000 as a logical source to help cover initial operating costs of the police and fire stations.

### Spending on raises, reducing inequities

The budget delivers \$80,000 to implement a \$15 minimum wage for city employees by 2020, Soglin said. The proposal would roughly increase those wages 50 cents annually for four years.

The budget also provides a 2.25 percent pay hike for most city employees in December 2016, and a 1 percent raise in mid-2017. Police and Fire department staff would get 1 percent at the end of 2016 and 2 percent in mid-2017. The \$4.8 million for the wages and retirement contributions are a bit offset by savings on health insurance premiums that are \$430,000 less than 2016 and more than \$3 million under projections for 2017.

## Madison budget trends

	2013	2014	2015	2016	2017 Proposed
Operating budget (in millions)	\$267.1	\$275.8	\$283.1	\$289.5	\$299.5
Percent increase	5.7%	3.4%	2.7%	2.3%	3.5%
Levy (in millions)*	\$193.4	\$198.4	\$202.9	\$209.9	\$219
Percent increase	3.6%	2.6%	2.2%	3.4%	4.35%

## Property tax comparison

	2016	2017 Proposed
Average home assessed value	\$245,894	\$254,693
City tax rate**	9.498	9.453
Average city property tax bill	\$2,335.55	\$2,407.49
Percent increase	3.49%	3.08%

\* Total city property tax collections

\*\* Per \$1,000 of assessed valuation

SOURCE: City of Madison

State Journal

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The mayor's proposal delivers \$400,000 for a 15-point plan by the Focused Interruption Coalition with the sum equally split between tax collections and reallocation of funds from the Emerging Opportunities Program. The council's organizational committee would determine the best way to use the money.

The coalition consists of community and faith leaders who have worked with elected officials in recent months to merge parts of two separate plans to address problems. The plans — from Ales. Maurice Cheeks and Matt Phair and Boys and Girls Club of Dane County CEO Michael Johnson — emerged in May after a series of retaliatory homicides involving young black men, although one of the plans was not specifically related to the violence.

Several members of the coalition voiced gratitude for the mayor's \$400,000 investment in a five-year, \$3 million plan.

"We weren't sure it would make it into the budget or not," Johnson said of the funding, which he said is needed to address disparities in the criminal justice system that could undermine public safety and encourage businesses to leave the community. "We're just glad it's in there."

The coalition is looking to Dane County and charitable donations for additional financial support, Johnson said.

Soglin's budget also provides \$100,000 to review human resources processes for racial bias, and \$75,000 to implement budgets focused on measurable strategies, better cross-agency data management, and other improvements.

The budget reallocates money to support the Rennebohm Foundation's Northside Early Childhood Zone, delivering \$100,000 for childhood care tuition aid with additional support from the foundation, the county and United Way of Dane County.

The mayor is also asking the Community Development Division to explore the feasibility of a men's dormitory in 2018 to help support education, training and upward mobility of young men of color.

To address homelessness, the budget provides \$70,000 for a street outreach team in the Downtown Business Improvement District area, but Verveer said an amendment is needed to specify money will come from special charges to property owners around Capitol Square and State Street. The budget also increases the ambulance fee by \$50 to generate \$100,000 to continue street team services outside the Downtown.

Soglin, who has voiced interest in examining the structure of local services for the homeless, said he's asked staff to look at other communities for ideas. It was too late in the process, he said, to consider matching \$55,000 that County Executive Joe Parisi included in his proposed budget late last week to hire a consultant to broadly explore city, county and community operations.

Verveer said he expects the council to support spending on items to reduce racial inequity and homelessness, and that council members could propose additional spending in those areas.

The budget follows the direction of a new Room Tax Commission to deliver another \$150,000, for a total of \$1.9 million, to Overture Center.

It was a challenge to balance the budget, Soglin said.

General fund revenues are projected to barely grow due to slowing growth in building permits, declining parking violations due to multi-space meters, and a state mandate that 70 percent of room tax revenues be dedicated to tourism-related efforts, he said.

To save money, the budget bases Metro Transit salaries on actual hours worked, which saves \$1 million compared to 2016. It saves \$530,000 by reducing by 1.5 the number of major snow removal events, based on history. And it increases the Urban Forestry Special Charge to fund all eligible costs, reducing tax levy support for those activities by \$1.32 million.



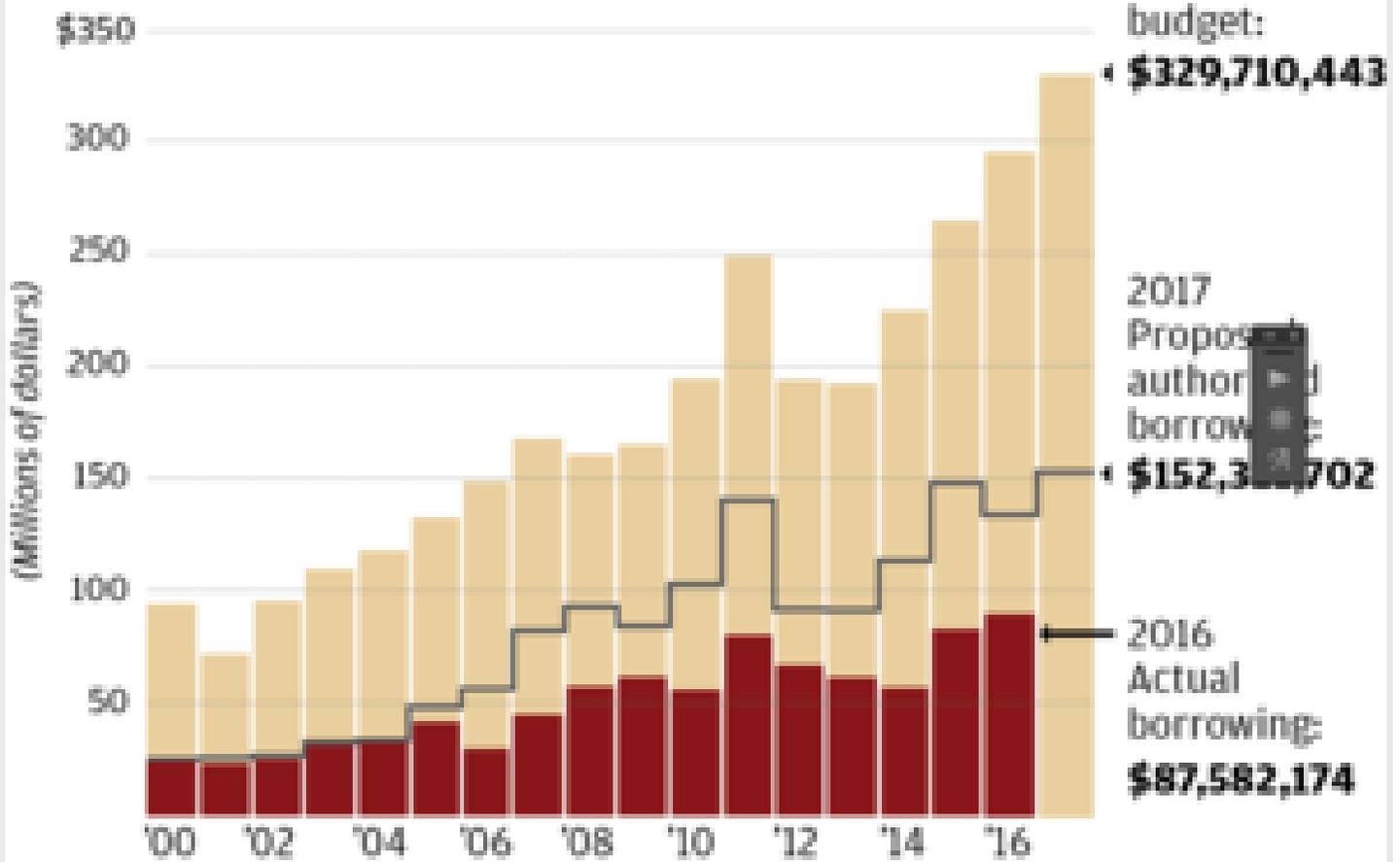
Madison's finance committee keeps Public Market in capital budget, moves up timing of police and fire stations



Mayor Paul Soglin, City Council will battle again over timing of police and fire stations, public market

# How much the city borrows

Authorized and actual borrowing since 2000 in relation to Madison's total capital budget.



SOURCE: City of Madison

State Journal

Paul Soglin proposes record highs in capital spending, authorized borrowing for 2017



Paul Soglin wants to limit next city tax increase to 3 percent on average home

### Highlights of Mayor Paul Soglin's operating budget for 2017

Highlights of Mayor Paul Soglin's proposed \$299.5 million operating budget:

- **Community Development:** A 3.8 percent increase to \$10.7 million, including funds for at least two street teams, at least one of them working Downtown, to reach the chronically homeless. It also delivers \$400,000, including \$200,000 in new funding, for the Focused Interruption Coalition's 15-point plan to address racial disparities, violence prevention and recidivism.
- **Economic Development:** A 4.1 percent decrease to \$1.4 million. Delivers full-year funds for real estate position created in 2016.
- **Engineering:** An 18.9 percent increase to \$4.4 million. Annualizes compensation for two positions created in 2016 and adds funds for rental costs due to temporary move during renovation of Madison Municipal Building.
- **Fire Department:** A 2.7 percent increase to \$50 million, including funds for leave payouts and premium pay, 13-member recruit class, and salary increases.
- **Library:** A 3.6 percent increase to \$16.9 million, including salary increases.
- **Metro Transit:** A 4.8 percent decrease to \$11.8 million, including a \$1 million decrease in driver salaries to reflect actual turnover and \$530,000 in new revenue from fare increase.
- **Parks Division:** A 3.3 percent decrease to \$13.1 million. The budget increases the Urban Forestry Special Charge from \$2.56 million to \$3.91 million to fully offset the cost of providing forestry services.
- **Police Department:** A 3.5 percent increase to \$69.9 million. The budget includes funds for salary increases and a recruit class.
- **Streets Division:** A 1 percent increase to \$25.2 million, funding for 5.5 snow events rather than seven, based on history, but provides additional funds in the contingent reserve.